

# General Fund Options

Attached are four scenarios that were presented at the Frisco City Council meeting of September 7, 2010, suggesting possible options to balancing the budget with no change in the tax rate. There are various ways to accomplish this task, all with different impacts to the overall budget. We have suggested these options in an attempt to assist council in finding the best solution. Due to the magnitude of the budget, there are various other combinations that could accomplish our goal of a balanced budget with no change in the tax rate.

# General Fund Budget Summary

|                                      | ACTUAL<br>FY 2008-09 | REVISED<br>BUDGET<br>FY 2009-10 | ORIGINAL<br>PROPOSED<br>BUDGET<br>FY 2010-11 | Option 1<br>PROPOSED<br>BUDGET<br>FY 2010-11 | Option 2<br>PROPOSED<br>BUDGET<br>FY 2010-11 | Option 3<br>PROPOSED<br>BUDGET<br>FY 2010-11 | Option 4<br>PROPOSED<br>BUDGET<br>FY 2010-11 |
|--------------------------------------|----------------------|---------------------------------|--|--|--|--|--|
| Fund Balance, Beginning              | \$24,082,544         | \$ 25,106,113                   | \$ 21,542,662                                | \$ 21,542,662                                | \$21,542,662                                 | \$ 21,542,662                                | \$ 21,542,662                                |
| Receipts:                            |                      |                                 |  |  |  |  |  |
| Revenues                             | 72,133,099           | 75,984,272                      | 77,175,492                                   | 77,167,626                                   | 76,167,626                                   | 76,167,626                                   | 76,167,626                                   |
| Interfund Transfers                  | 726,656              | 742,624                         | 773,916                                      | 773,916                                      | 773,916                                      | 773,916                                      | 773,916                                      |
| <b>Total Revenue</b>                 | <b>72,859,755</b>    | <b>76,726,896</b>               | <b>77,949,408</b>                            | <b>77,941,542</b>                            | <b>76,941,542</b>                            | <b>76,941,542</b>                            | <b>76,941,542</b>                            |
| Funds Available                      | 96,942,299           | 101,833,009                     | 99,492,070                                   | 99,484,204                                   | 98,484,204                                   | 96,484,204                                   | 98,484,204                                   |
| Deductions:                          |                      |                                 |  |  |  |  |  |
| Expenditures                         | 68,289,626           | 72,399,495                      | 74,483,337                                   | 74,483,337                                   | 74,078,337                                   | 73,958,337                                   | 74,083,337                                   |
| Capital Outlay                       | 25,072               | 863,338                         | 1,467,283                                    | 1,467,283                                    | 867,283                                      | 967,283                                      | 1,467,283                                    |
| Section 380 Sales Tax Grant          | 3,058,019            | 3,260,725                       | 1,817,700                                    | 1,817,700                                    | 1,817,700                                    | 1,817,700                                    | 1,817,700                                    |
| Interfund Transfer-Cap Project       | -                    | 23,290                          | 23,290                                       | 23,290                                       | 23,290                                       | 23,290                                       | 23,290                                       |
| Interfund Transfer-Other Fund        | 463,469              | 184,326                         | 153,640                                      | 153,640                                      | 153,640                                      | 153,640                                      | 153,640                                      |
| <b>Subtotal Deductions</b>           | <b>71,836,186</b>    | <b>76,731,174</b>               | <b>77,945,250</b>                            | <b>77,945,250</b>                            | <b>76,940,250</b>                            | <b>76,920,250</b>                            | <b>77,545,250</b>                            |
| Interfund Transfers-Special          |                      | 3,559,173                       |  |  |  |  |  |
| Fund Balance, Ending                 | 25,106,113           | 21,542,662                      | 21,546,820                                   | 21,538,954                                   | 21,543,954                                   | 21,563,954                                   | 20,938,954                                   |
| Designated Reserves **               | -                    | 2,269,807                       | 2,289,031                                    | 2,289,031                                    | 2,276,881                                    | 2,273,281                                    | 2,277,031                                    |
| Unreserved designated-insurance      | 1,959,173            | -                               |  |  |  |  |  |
| Undesignated Fund Balance,<br>Ending | <u>\$23,146,940</u>  | <u>\$ 19,272,856</u>            | <u>\$ 19,257,789</u>                         | <u>\$ 19,249,923</u>                         | <u>\$ 19,267,073</u>                         | <u>\$ 19,290,673</u>                         | <u>\$ 18,661,923</u>                         |
| Change in Fund Balance               |                      |                                 |  | (7,866)                                      | (9,284)                                      | 32,884                                       | (595,866)                                    |

# Options for Balancing the Budget

- Option One - Use \$1.6 million of the Debt Service Fund Balance. We anticipate having funds remaining from the Garage Project (\$650,000) that will be deposited into the Debt Service Fund next fiscal year. This is the option the Budget and Audit committee suggested.
- Option Two - Use \$600,000 of the Debt Service Fund Balance as done in the previous two years. Reduce Capital by \$600,000; delete \$355,000 for raises; delete \$50,000 for tuition reimbursement.

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- Option Three - Use \$600,000 of the Debt Service Fund Balance as done in the previous two years. Reduce Capital by \$500,000; reduce Insurance expense by \$400,000; delete the 4th of July - \$75,000; delete the dancing Christmas lights - \$50,000.
- Option Four - Use \$600,000 of the Debt Service Fund Balance as done in the previous two years. Reduce the insurance expense by \$400,000; go into fund balance reserves for \$600,000.